

STATEMENT

of

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of the



NATIONAL COALITION
for **HOMELESS VETERANS**

before the

United States House of Representatives
Committee on Veterans Affairs
Subcommittee on Health

The Honorable Rob Simmons
Chairman

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Washington, DC

Chairman Simmons and Committee members:

The National Coalition for Homeless Veterans (NCHV) is a nonprofit 501(c)(3) corporation, established in 1990 by a group of community based veteran service providers to educate America's people about the extraordinarily high percentage of veterans among the homeless and to place homeless veterans on the national public policy agenda.

These providers, all former military men, were concerned that policy makers did not understand the unique reasons why veterans become homeless and the fact that these veterans, men and women who defended America's freedom, were being dramatically under served in a time of personal crisis.

In the years since its founding, NCHV's membership has grown to almost 250 organizations in 42 states and the District of Columbia.

The majority of NCHV's members provide front line housing and supportive services to homeless veterans and their families. Services fall within the full continuum of care system including drop-in centers, emergency shelters, transitional supportive housing, and permanent housing.

The mission of NCHV is to end homelessness among veterans by shaping public policy, promoting collaboration, and building the capacity of service providers.

This week NCHV is holding its seventh annual conference, "Shaping America's Agenda for Homeless Veterans", and we have over 270 participants from 38 states, the District of Columbia and Puerto Rico attending.

The National Coalition for Homeless Veterans (NCHV) is committed to assisting the men and women who have served our Nation well to have decent shelter, adequate nutrition, and acute medical care when needed. NCHV is committed to doing all we can to help ensure that the organizations, agencies, and groups who assist veterans with these most fundamental human needs receive the resources adequate to provide these services to perform this task. Our veterans served us faithfully, often heroically. Each of us can do no less than to do our part to ensure that these men and women are treated with dignity and respect.

NCHV believes that "homeless veterans" is not a generic and separate group of people who are homeless as a permanent characteristic. Rather, NCHV takes the position that there are veterans who have problems that have become so acute that a veteran becomes homeless for a time. In a great many cases these problems and difficulties are directly traceable to that individual's experience in military service or his or her return to civilian society.

The specific sequences of events that led to these American veterans being in the state of homelessness are as varied as there are veterans who find themselves in this condition.

It is clear that the present way of organizing the delivery of vitally needed services has failed to assist the veterans who are so overwhelmed by their problems and difficulties that they find themselves homeless for at least part of the year.

Mr. Chairman, on behalf of the National Coalition for Homeless Veterans, I thank you for the opportunity to present our views here today on the status of homeless assistance programs for veterans conducted by the Department of Veterans' Affairs, including its coordination with community-based providers and other agencies.

Of primary concern to our organization is the

IMPLEMENTATION OF PL107-95 HOMELESS VETERANS ASSISTANCE ACT

The President signed this law on December 21, 2001 and it is NCHV and Congress' expectations this will be implemented. The Department of Veterans Affairs has the primary role in the responsibilities for provisions in this law.

The VA has expressed concern that PL107-95 is an unfunded mandate and they do not have the resources to implement its provisions. The House Veterans' Affairs Committee in their Report to the House Committee on Budget for FY2004 requested \$75 million for implementation of certain provisions in this law and noted that the VA did not request additional funding to implement provisions in this law.

In reviewing the history of VHA budget requests compared to Congressional appropriations since 1997, each year Congress has **provided VHA more funding than they requested. Again for FY2004 the President's Budget has requested \$61.5 billion and the Conference report is providing \$63.8 billion.** So what is the real issue? Perhaps the internal priorities of the VA need adjustment. Since VHA resists having special purpose funding requirements made on the Department in order for them to have maximum flexibility to determine internal and local VISN priorities, even if funds were appropriated by Congress specific for homeless programs how would the money be internally allocated?

NCHV is pleased that Secretary Principi has implemented one piece of the legislation dealing with the establishment of an advisory committee on homeless veterans. He has assembled a knowledgeable committee who has just submitted their draft recommendations to the Department.

Here we are highlighting sections of the law that are critical to community based homeless veteran providers and our comments.

Section 5 Improvement and consolidation of provisions of law relating to homeless veterans.

2013 Transitional Housing Funding Homeless Providers Grant and Per Diem Program appropriation authorizing: \$75m FY03, \$75m FY04, \$75m FY05 in expenditures. *The VA Secretary needs to allocate these amounts in the internal budget priorities.*

The VA projects that by the end of FY2003 there will be 6,615 transitional housing beds available funded through the Homeless Providers Grant and Per Diem program. The need for increased funding for beds through this program has never diminished since its inception. There is an un-addressed need for housing that is safe, clean, sober and has responsible staff to ensure that it stays that way, and that supportive services are regularly provided as to be sufficient to help veterans fully recover as much independence and autonomy as possible.

In FY02 the most recent “notice of funds available” the VA only offered \$13.5 for new per diem grantees and no funds were made available for the “grant” piece of bricks and mortar for new or expansion of programs. Approximately \$32 million was allocated for continuation funding of previous per diem grantees. This is \$45 million when the authorized level is \$60 million. What will be the internal level allocated for FY03 while the authorization is \$75 million?

VHA made a policy decision to terminate contracts with community-based providers under a “per diem” process (Health Care for Homeless Veterans) that had provided operating expenses, outside the Homeless Providers Grant and Per Diem Program, which was approximately \$15 million annually. These contracts were to provide services that were similar to the Grant and Per Diem Program, but often more intensive for veterans that often are sicker and employment is not a realistic outcome expectation. The “per diem” rate average was approximately \$39 per day, compared to the anticipated per diem rate in FY03 of approximately \$27. The contract “per diem” providers must now compete within the Homeless Providers Grant and Per Diem Program process which focuses on employment as an expected outcome.

The melding of the contract “per diem” with the Homeless Providers Grant and Per Diem Program has created an illusion of sorts that the VA is allocating more resources to the Homeless Providers Grant and Per Diem Program, when actually total resources for homeless veteran grants to community based organizations has decreased.

In December 2002, February and April 2003, we have requested bed count information and spending levels for both of these programs in order to determine the actual impact on number of beds but have yet to receive a reply from the program manager.

As NCHV predicted in our testimony before this committee in September 2001 and again in September 2002, that when the new per diem rate became effective that was part of this bill, that there would be a decrease in the beds funded if the VA did not allocate the full authorized amount to this program. ***The 6,615 beds funded by this program at the***

current rate of approximately \$27 per day will require over \$65,000,000 in funding in FY2004. To add new beds will require an additional investment.

*NCHV calls on Congress to insure implementation of this provision of this law and direct the Department of Veterans Affairs to insure funding is **segregated outside the VERA model**, as special purpose funding for homeless veterans.*

2021 Homeless Veterans Reintegration Programs

Authorization of appropriations: FY02 through FY05, \$50million

The Homeless Veteran Reintegration Program (HVRP) managed through the US Department of Labor, Veterans Employment and Training Service is virtually the only program that focuses on employment of veterans who are homeless. Since other resources that should be available to our member organizations to fund activities that result in gainful employment are not generally available, HVRP takes on an importance far beyond the very small dollar amounts involved.

Work is the key to helping homeless veterans rejoin American society. As important as quality clinical care, other supportive services, and transitional housing may be, the fact remains that helping veterans get and keep a job can be the most essential element in their recovery and reintegration for those that work is a realistic outcome.

The Homeless Veteran Reintegration Program is a job placement program begun in 1989 to provide grants to community-based organizations that employ flexible and innovative approaches to assist homeless, unemployed veterans reenter the workforce. Local programs offer employment and job-readiness services to place these veterans directly into paying jobs. HVRP provides the key element often missing from most homeless programming.....job placement.

HVRP programs work with veterans who have special needs and are shunned by other programs and services, veterans who have hit the very bottom, including those with long histories of substance abuse, severe PTSD, serious social problems, those who have legal issues, and those who are HIV positive. These veterans require more time consuming, specialized, intensive assessment, referrals, and counseling than is possible in other programs that work with other veterans seeking employment.

This program has suffered since its inception because it is small and an easy target for elimination or reduced appropriations. **DOL does not ask for the full appropriation for HVRP in the budget they submit to OMB. Leaving money on the table that could translate into decreasing the number of homeless veterans across our nation is unconscionable in NCHV's viewpoint.**

NCHV would also ask members of this committee to appeal to their fellow Representatives on the House Appropriations Committee to appropriate the amount you recommended.

2022 Coordination of outreach services for veterans at risk of homelessness. Focus on discharge from mental health programs, substance abuse and penal institutions. Development of plan from Readjustment Counseling Services and Mental Health Services calling for coordination of services with other entities and an annual report to Congress. *VA needs to develop the plan working with community based organizations, and fund this through internal budget priorities.*

2023 Demonstration program relating to referral and counseling for veterans transitioning from certain institutions who are at risk for homelessness. Authorizes “at least six locations” one which shall be Federal penal institution over 4 year period.

Requirements of sections 2022 and 2023 are prime opportunities to work on **prevention** of homelessness among veterans that has long been ignored. It we are to reach the goal of ending homelessness among veterans resources need to be focused on prevention efforts.

We have received a progress report from the Department of Labor's Office of Veterans Employment and Training (DOL/VETS), that in partnership with the Department of Veterans Affairs, has approved concept plans for the first three (of six) Incarcerated Veteran Transition Demonstration Programs. A federal prison program is planned in Oregon, a state prison program is planned in Colorado and a county/municipal prison program is planned in Los Angeles. Proposals by the state of Colorado and Los Angeles County have been received and are under review. The proposal from the state of Oregon is in the final stages of development. It is expected that all three demonstration programs will be running by July 2003. The Veterans Employment and Training Service is also working with the National Veterans Training Institute to develop a training program for Disabled Veteran Outreach Program Specialists (DVOPs), Local Veteran Employment Representatives (LVERs) and service providers, which focuses on transition assistance for Incarcerated veterans. The program of instruction is expected to become available in July 2003. DOL/VETS expects to publish a solicitation for grant award for the remaining three demonstration programs by September 2003.

2061 Grant program for homeless veterans with special needs.

Grants (\$5m, FY03-05) to health care facilities and grant and per diem providers for programs that target: women; frail elderly, terminally ill, chronically mentally ill. *The VA Secretary needs to allocate these amounts in the internal budget priorities.*

2062 Dental Care

Adds criteria for care to homeless veterans.

VHA distributed a directive (2002-080) providing treatment guidelines for homeless veterans. We have no varied data about the actual implementation of homeless veterans being treated. Dental treatment is critical for homeless veterans in terms of health issues and being able to obtain employment. *We ask that this Committee obtain data about the*

actual number of veterans being served and at what locations the VHA directive has been implemented.

2064 Technical Assistance

Competitive grant to provide technical assistance to community based groups applying for grant and per diem grants. \$750,000 per FY02-05. *The VA Secretary needs to allocate these amounts in the internal budget priorities.*

It is very clear that it takes a network of partnerships to be able to provide a full range of services to homeless veterans. No one entity can provide this complex set of requirements without developing relationships with others in the community.

Community-based nonprofit organizations are most often the coordinator of services because they house the veterans during their transition. These community-based organizations ***must orchestrate a complex set of funding and service delivery streams with multiple agencies*** in which each one plays a key critical role.

There is a wide variety of Federal, state and private funds that veteran service providers are eligible for in the course of serving homeless veterans. The challenge is in accessing them. Many veteran specific providers lose several years before being able to position themselves to successfully compete and receive ANY federal, state or local agency funds.

The veteran community-based organization system faces a capacity gap around managing this complexity in order to respond successfully to the distribution system for accessing funds and then if awarded the resources to pay for management and financial reporting systems to properly service those funds.

The goal for this technical assistance allocation, for community based homeless veteran service providers, is to significantly increase their ability to access federal, state and private funding streams and to enhance the efficiency of utilization of these funds and their organizations.

We understand that VA will be releasing a grant solicitation notice this month and we look forward to implementation.

Section 8 Programmatic Expansions

(a) Access to Mental Health Services – VA to develop standards to ensure mental health services available to veterans in a manner similar to primary care.

Public Law 104-262 enacted in October 1996, required the VA to “maintain capacity to provide for specialized treatment and rehabilitative needs of disabled veterans (including veterans with spinal cord dysfunction, blindness, amputations, and mental illness) within distinct programs or facilities of the Department....”

However the VA has not maintained that capacity to serve these veterans and PL107-95 is even more specific.....how will the VA respond? The reductions and curtailment of services are drastic in mental health and substance abuse disorder programs which concerns NCHV. In the December 1999 report issued by the Interagency Council on the Homeless, found that **76% of homeless veterans have a mental health and/or substance abuse issue**. It is shocking to hear from the VA Advisory Committee on Seriously and Mental Ill Veterans an estimate that over \$600 million has been diverted from mental health programs over the last few years. **An April 2000 GAO (HEHS-00-57) report concluded that between 1996-1998 inpatient services to serious mental ill patients decreased by 19%. Substance abuse disorder inpatient treatment was reportedly decreased by 41% in the same GAO report.**

That same GAO report reported that the VA generally believed that alternative care settings developed to move patients to an out patient treatment setting were appropriate for special disability populations, although no clear evidence exists to support this position. **Many communities do not have adequate resources to support this increase in demand that had once been provided by the VA** and homeless veterans need safe and sober housing to go to when receiving treatment in an out patient model.

Additionally this GAO report concluded that VA managers are not specifically accountable for special disability programs and that responsibility for maintaining capacity is fragmented among organizational units. NCHV is concerned that the funding Congress intends to have used serving this vulnerable population has been redirected and VA accountability is lacking and veterans are suffering as a result. How many veterans are not receiving assistance? How many get turned away or virtually turned away by not having services available?

In a Senate hearing last fall, testimony was provided that stated “total per capita expenditures for veteran mental health patients has declined by 20.6% since 1995. Between 1995 and 2001, the number of veterans in need of mental health service has increased 26%, yet mental health expenditures have increased only 9%.”

What types of veterans should the VA be serving? In PL104-262 it specified seven priority categories. At the time of this law’s enactment, priority 7 veterans (non-service connected and typically higher income) made up 3% of those who used the health care system. The VA’s budget for FY03 discloses that **priority 7 veterans are expected to make up 33%** of VA enrollees. Earlier this year a new Priority Group 8 was established which appears to be a marketing move to have a method to not enroll any more veterans that are non-service connected and higher income, but the VA still continues to serve those Priority 7 veterans enrolled prior to this new category being created.

These veterans often have other health care coverage but the VA is redirecting resources to serve these veterans. While VA mental health and substance abuse programs, which overwhelmingly serve service connected and low income veterans, have suffered severe cost cutting. The VA has allowed a redirection of funds to non-mental health care in

clear violation of the capacity law. It is shocking to realize the VA has diminished its support to veterans who are most vulnerable and most in need and in doing so **has altered its mission to serve an ever-growing number of those with the lowest claim to VA care.**

Section 10 Use of Real Property

(a) Limitation of declaring property excess to the needs of the department – adds wording specific to homeless veteran services.

(b) Waiver of competitive selection process for enhanced-use leases for properties used to serve homeless veterans.

The VA seems to be waiting for the CARES process to be completed before making properties available, while six million square feet of underutilized VA space sits waiting that in many cases could be used for homeless veteran community based programs.

NCHV members that have entered into enhanced sharing agreements for use of VA space to provide services to homeless veterans are reporting that hospital directors are significantly increasing the reimbursement rates for use of that space. The hospital directors are citing VHA Directive 1660.1, August 3, 2000 as the authorizing authority to **charge these homeless veteran service providers local fair market rates.**

Less than full cost may be considered only when the VA decides the contract is necessary to maintain the level of quality or to keep a program in existence for veteran use. However, since the VA has been shifting their service to “priority 7” veterans, and the need to offset their local hospital budget requirements has increased, services to homeless veterans are not seen as in their mission. Even though homeless veteran service providers are most often supplying services the VA does not provide such as housing, counseling, employment services, family reunification, and legal counseling that homeless veterans need to complete their transition out of homelessness.

Homeless veteran providers are being **required to decrease services in order to increase rent payments to the VA or close down their programs. Often the money that is used for rent has been procured through a grant from another Federal agency. How much sense does this make when we are spending tax dollars?**

Section 12 Rental Assistance vouchers for HUD - Veterans Affairs supported housing program.

Increase in number of vouchers: FY03 500, FY04 1000, FY05 1500, FY06 2000.

No new vouchers have been designated for veterans in the FY03 or in the FY04 HUD budgets. The Administration intends to completely change the HUD voucher system and it is unlikely veterans will receive special consideration or set asides within that proposal.

The House Veterans’ Affairs Committee will need to work with their authorizing counterparts on the Committee for Financial Services, to negotiate opportunities for veterans within HUD.

H.R.1906

NCHV is extremely pleased that Representative Evans has introduced H.R.1906, “Servicemembers’ Transition Assistance Program and Services Enhancement Act of 2003”. As individuals leave the military, particularly those who do not have transferable job skills becoming a civilian with all the responsibilities (of budgets, rents, jobs, child care, housing, etc.) may put them at risk for homelessness.

This bill will take advantage of the successful Transition Assistance Program (TAP) jointly administered by Departments of Defense, Labor and Veterans Affairs by making it a mandatory process and inclusion of the homelessness risk awareness.

Newly released information from the Department of Veterans Affairs points out the increased risk for becoming homeless among veterans. Male veterans are 1.3 times more likely to become homeless than their nonveteran counterpart and female veterans are 3.6 times more likely to become homeless than their nonveteran counterpart.

Prevention of homelessness among veterans should be a top priority if our nation is going to really end homelessness among veterans. Providing mandatory transition assistance coupled with homelessness information is a step in that direction.

NCHV looks forward to working with this committee and its staff on solutions that will lead to the end of homelessness among veterans.

Mr. Chairman, thank you for this opportunity.

CURRICULUM VITAE

Linda Boone, Executive Director, National Coalition *for* Homeless Veterans took over the management of this national advocacy organization in April 1996. Linda's activities on veteran issues started in 1969 as a volunteer in her local community. Her advocacy for homeless veterans began in 1990 after meeting veterans living under a boardwalk near her home.

Prior to becoming executive director for NCHV Boone spent over 20 years in materials management positions at high tech manufacturing companies and as a consultant to companies and organizations for competitive management practices.

The National Coalition for Homeless Veterans was founded in 1990 by a group of veteran service providers when they became frustrated with the growing numbers of homeless veterans that were coming into their facilities and the lack of resources to adequately provide services.

The mission of NCHV is to end homeless among veterans by shaping public policy, promoting collaboration, and building the capacity of service providers.

FEDERAL GRANT OR CONTRACT DISCLOSURE

The National Coalition for Homeless Veterans received an appropriation from Congress was provided to NCHV in the FY2001 budget for \$399,120 to provide technical assistance for service providers. Through April 30, 2003, \$375,000 of that appropriation has been accessed.